

**NATIONAL DAIRY MARKET AT A GLANCE**

CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (1/04):

**BUTTER:** Grade AA closed at \$1.3500. The weekly average for Grade AA is \$1.3500 (+.0100).

**CHEESE:** Barrels closed at \$1.2550 and blocks at \$1.2550. The weekly average for barrels is \$1.2550 (-.0050) and blocks, \$1.2467 (-.0250).

**NONFAT DRY MILK:** Extra Grade closed at \$0.9900 and Grade A closed at \$1.0000. The weekly average for Extra Grade is \$0.9900 (N.C.) and Grade A, \$1.0000 (N.C.).

**BUTTER:** Butter markets are mixed. Churning activity over the yearend holidays was and continues to be heavy. Cream supplies were readily available locally and cream was moving from one area to another for processing. Often, butter producers were able to secure cream at better prices than first offers were quoted. Stocks of butter are reported to be readily available. Overall buying interest is slow this week as most buyers assess inventories following the holiday period before re-entering the market. Early reports indicate that fourth quarter sales were quite good. Favorably priced butter, along with attractive retail feature activity, cleared large volumes of print butter.

**CHEESE:** The cheese market is unsettled to weak. Current cash prices are about 11 – 15 cents above CCC purchase prices. Most packagers and processors were closed for an extra day for the holiday observance. Most buyers are assessing holiday movement before rebuilding inventory for upcoming events such as the Super Bowl and the Olympics. Some fast food promotions are also underway. With schools closed for the holidays, extra milk backed up into cheese production. Plant operating schedules were much heavier than prior to the holidays and, in recent years. The extra milk resulted in additional cheese offerings, some entering storage facilities.

**FLUID MILK:** Milk production levels are steady to higher in the Northeast. Intakes were heavy at plants during the holiday weeks with some plants reporting higher intakes than they have seen in the last two years. Some distressed loads were moved over the weekend. Fluid milk demand is slowly starting to increase as schools return from vacations. In the Midwest, milk supplies were heavy and excess milk was discounted to move. Plants are still working through their holiday milk backlog. In the Northwest, milk continues to bounce around, being influenced by winter weather conditions. Milk production patterns in the Southwest are steady with recent weeks. California is experiencing seasonal rains, which are tempering milk output. Cream prices are mixed following the holidays. Cream remains ample to surplus in all regions. More butter is being churned to process available cream supplies.

**DRY PRODUCTS:** The dry product markets are little changed in an untested, holiday shortened trading week. NDM remains unsettled going into

the new year with a respite from a change in the support price. Prices are steady to slightly lower. Dairy Market News has combined the Central and Eastern NDM reporting regions into one region, effective January 1, 2002. Production remains heavy well into the week to process milk volumes backed up from the end of year holidays. Dry buttermilk prices are steady to lower. There remains weakness evident in the market as more buttermilk is being offered from producers and resellers. Drying schedules were higher, reflecting increased butter churning. Dry whey prices are showing slight declines in the West. Export demand is slower and backing off. Whey protein concentrate prices are unchanged to lower and remain weak. Offerings are exceeding contracted demand and more WPC is available. Buying interest on both a spot and contract basis is slower from the feed sector this year. Lactose prices are steady to higher in a firm market, reflecting increases in contract prices for the first quarter of 2002.

**CCC:** On December 31, the last buying date of calendar year 2001, adjusted purchases totaled 6,782,919 pounds of Western NDM under the price support program. For the calendar year 2001, CCC adjusted purchases totaled 356,823,821 pounds of NDM, 1,286,512 pounds of cheese and no butter purchases. For calendar year 2000 CCC adjusted purchases totaled 558,074,132 pounds of NDM, 16,732,966 pounds of cheese and no butter. CCC reports uncommitted inventories of NDM of 695,646,000 pounds as of December 28, 2001, compared to 370,447,000 pounds a year earlier.

**CLASS AND COMPONENT PRICES (DAIRY PROGRAMS):** The following are the December 2001 prices under the Federal Milk Order pricing system with changes from November: Class II \$12.61 (-\$0.17), Class III \$11.80 (+\$0.49); and Class IV \$11.79 (-\$0.18). Product price averages used in computing Class prices are: butter \$1.2894, NDM \$0.9199, cheese \$1.2762, and dry whey \$0.2868. The Class II butterfat price is \$1.4392 and the Class III/IV butterfat price is \$1.4322. Further information may be found at: [www.ams.usda.gov/dairy/mib/classprcacnmt.pdf](http://www.ams.usda.gov/dairy/mib/classprcacnmt.pdf)

**DECEMBER AGRICULTURAL PRICES (NASS):** The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in December 2001 was unchanged at 122. Compared with December 2000, the index was unchanged at 122. The index of prices received by farmers for dairy products declined 2 points during the month of December 2001 to 84. Compared with December 2000, the index was down 11 points (11.6%). Prices received by farmers in December with changes from November were: for All Milk, \$13.60, down \$.80; Fluid Grade Milk, \$13.60, down \$.90; and for Manufacturing Grade Milk, \$12.40, unchanged.

**\*\*\*SPECIALS THIS ISSUE\*\*\***

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**CHICAGO MERCANTILE EXCHANGE  
CASH TRADING**

CHEESE: carload = 40,000-44,000 lbs., BUTTER: carlot = 40,000-43,000 lbs.

PRODUCT	MONDAY DECEMBER 31	TUESDAY JANUARY 1	WEDNESDAY JANUARY 2	THURSDAY JANUARY 3	FRIDAY JANUARY 4	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	H O	H O	\$1.2550 (N.C.)	\$1.2550 (N.C.)	\$1.2550 (N.C.)	(N.C.)	\$1.2550 (-.0050)
40# BLOCKS	L I	L I	\$1.2450 (-.0150)	\$1.2400 (-.0050)	\$1.2550 (+.0150)	(-.0050)	\$1.2467 (-.0250)
BUTTER GRADE AA	D A Y	D A Y	\$1.3500 (+.0100)	----	\$1.3500 (N.C.)	(+.0100)	\$1.3500 (+.0100)

\*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at [WWW.AMS.USDA.GOV/MARKETNEWS.HTM](http://WWW.AMS.USDA.GOV/MARKETNEWS.HTM) (NOTE: The NDM daily/weekly prices are reported here when changes occur. The Extra Grade price is \$.9900 and Grade A price is \$1.0000. NDM information remains available at the above internet address.)

**CHICAGO MERCANTILE EXCHANGE**

MONDAY, DECEMBER 31, 2001

NO TRADING - HOLIDAY

TUESDAY, JANUARY 1, 2002

NO TRADING - HOLIDAY

WEDNESDAY, JANUARY 2, 2002

CHEESE — SALES: 1 CAR 40# BLOCKS @ \$1.2450; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

BUTTER — SALES: 2 CARS GRADE AA: 1 @ \$1.3400, 1 @ \$1.3500; BIDS UNFILLED: 2 CARS GRADE AA: 1 @ \$1.3300, 1 @ \$1.3000; OFFERS UNCOVERED: 2 CARS GRADE AA @ \$1.3600

THURSDAY, JANUARY 3, 2002

CHEESE — SALES: 3 CARS 40# BLOCKS: 1 @ \$1.2350, 2 @ \$1.2375; BIDS UNFILLED: 1 CAR 40# BLOCKS @ \$1.2400; OFFERS UNCOVERED: NONE

FRIDAY, JANUARY 4, 2002

CHEESE — SALES: 5 CARS 40# BLOCKS @ \$1.2550; BIDS UNFILLED: 1 CAR BARRELS @ \$1.2550; OFFERS UNCOVERED: NONE

BUTTER — SALES: 15 CARS GRADE AA: 1 @ \$1.3375, 1 @ \$1.3400, 1 @ \$1.3425, 1 @ \$1.3450, 1 @ \$1.3475, 10 @ \$1.3500; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

**BUTTER MARKETS****NORTHEAST**

The market tone is weak. Churning activity in the East continues to be active as excess cream supplies are heavy. Local butter churns are absorbing a significant volume of cream, although additional volumes are moving into the Midwest. Buying interest this week is slow. Producers and handlers feel that buyers will hold off placing orders until they have had an opportunity to review their supply situation following the year end holidays. Many Eastern producers and handlers do not anticipate too much activity in the near term with most orders being placed for short term or fill-in needs. Stocks of butter are readily available. Sales of bulk butter, f.o.b. East, are reported in a range of 1 – 6 cents over the CME price/average.

**CENTRAL**

Butter markets are unsettled as the cash price at the CME closed lower at year's end, but firmed during the first trading session of the new year. In most instances, producers are quite surprised at the strength of the market for this time of the season. Producers indicate that churning schedules during the New Years holiday period were heavy. Cream offerings were plentiful from local and out of area sources. Often, butter producers were able to secure cream at better prices than first offers were quoted. Stocks of butter are fully sufficient for current needs. Current buyer interest is slow at midweek. Many butter producers and handlers

anticipate orders to remain light until buyers assess their inventories following the holidays. Once orders resume, most are anticipated to be limited to short term or immediate needs. When available, bulk butter for spot sale is selling in a price range of 1 - 3 cents per pound over various pricing basis.

**WEST**

A number of Western butter plants are running long shifts because they closed a day this week or last for the holiday observance. They hope to be caught up by the end of the week. Bulk butter production seems to be increasing as opposed to prints at this time. Cream offerings are heavy, often heavier than anticipated. Some discounts and higher costs to get it all processed are noted. The preliminary sales numbers they are getting for the end of the year holidays are encouraging most butter sellers that it was a good season. They believe that reorders will come in at good levels. CME weekly butter stocks grew by 4.1 million pounds to 23.2 million pounds. This level of growth is heavier than normal. High tier imports of butter and butter substitutes grew by 1.8 million pounds during November. Current prices for bulk butter range from 3 1/2 cents under to flat market based on the CME with various time frames and averages involved.

**NASS DAIRY PRODUCT PRICES**  
 U.S. AVERAGE AND TOTAL POUNDS

WEEK ENDING	CHEESE		NDM	BUTTER	DRY WHEY	MILKFAT	
	40# BLOCKS	BARRELS 38% MOISTURE				CLASS II	ALL CLASSES
DEC 29	1.2559	1.2611	0.9268	1.2982	0.2820	1.6994	1.6299
	5,314,584	5,944,625	8,897,030	4,200,807	5,559,392	556,638	2,919,555

Further data and revisions may be found on the internet at: <http://jan.mannlib.cornell.edu/reports/nassr/price/dairy>

## CHEESE MARKETS

## NORTHEAST

Wholesale prices are mixed with natural prices generally fractionally higher and process fractionally lower following changes at the CME last week. Cheese production remains seasonally heavy as surplus milk volumes available to cheese makers continued long over the weekend. As Class I milk needs return to pre-holiday levels, surplus fluid volumes will decline. Buyers were delaying cheese orders and shipments until after the holidays. Many will review holiday movement before replenishing stocks. Current cheese offerings are at least adequate for needs.

WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.3150-1.7850
Cheddar Single Daisies	:	1.2725-1.7325
Cheddar 40# Block	:	1.4125-1.5925
Process 5# Loaf	:	1.4700-1.6325
Process 5# Sliced	:	1.4900-1.7475
Muenster	:	1.4750-1.6825
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

## MIDWEST

The cheese market is unsettled. Orders are often slow in developing early in January as retailers and food service accounts assess holiday sales and expected early year needs on through the Super Bowl and Olympic activities. The final day of the year CME cash cheese prices compared to year ago levels are: blocks \$1.26, up \$.14; barrels \$1.2550, up \$.165. A total of 710 loads of blocks and barrels were sold on the CME cash cheese market in 2001, with 52.1% sold during the last 3 months. The 2001 CME volume is down 41% from 2000 (1207 loads). Most processors and packagers were again down another day or two for the holiday observance. This reduced bulk cheese needs and finished product deliveries. Mozzarella sales are often sluggish, typical around yearend with colleges and other schools closed. Milk supplies were heavy over the holiday period and a portion of the extra cheese produced may end up on the CME. After operating on extended schedules over the holidays, many production plant operators and employees are happy to see the return to regular schedules. A few plant operators were able to arrange their schedules in order to close for one or more of the holidays.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.4800-1.6500
Brick And/Or Muenster 5#	:	1.6300-1.8325
Cheddar 40# Block	:	1.6100-2.1150
Monterey Jack 10#	:	1.8300-2.1150
Blue 5#	:	2.0225-2.3300
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.6125-2.2150
Grade A Swiss Cuts 6 - 9#	:	1.9675-2.6900

## MIDWEST COMMODITY CHEDDAR

Dollars per pound, standard moisture basis (37.8-39.0%),  
carlot/trucklot, F.O.B. plants or storage centers.

CHEDDAR STYLES : DECEMBER 31, 2001 - JANUARY 4, 2002

BARRELS*	:	\$1.2650 - 1.2750 (NOMINAL)
	:	(-\$ .0125) (-.0100)
40# BLOCKS	:	\$1.2450 - 1.3025 (NOMINAL)
	:	(-\$ .0350) (-.0375)

( ) Change from previous week. \* If steel, barrel returned.

## WEST

Cheese prices are generally about steady with the CME market bouncing both higher and lower in recent weeks. A number of buyers were active in the market after the end of the year holidays, attempting to replenish depleted supplies. A number of Western manufacturers believe that buyers are on the low end of normal inventory numbers. They tried to buy in when prices began to fall, but there was not enough time and there was too much competition to get programs back up to normal levels. Cheese production was heavier than anticipated over the last two weeks. This doesn't seem to have pushed inventories much higher. Swiss stocks are entering the new year in very good shape. Sales activity was very good at the end of the year. Mozzarella demand often slows at the end of the year because of school vacations. This does not mean that there are many additional offerings showing up from the Western region at this time.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND  
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.4150-1.6750
Cheddar 40# Block	:	1.3875-1.5275
Cheddar 10# Cuts	:	1.5675-1.7875
Monterey Jack 10#	:	1.5775-1.7375
Grade A Swiss Cuts 6 - 9#	:	2.3600-2.5300

## FOREIGN

Domestic prices moved fractionally higher with imported unchanged. Current interest is typically light as buyers work off inventory from 2001. Current cheese offerings are generally adequate for the quiet demand. November cheese imports totaled 14,092,691 kilograms (Kg), down 5,281 Kg from the 14,097,972 Kg during November 2000. Cumulative January - November imports total 109,132,441 Kg, up 167,432 Kg (0.2%) from the same period last year.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK  
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Roquefort	: TFEWR	: -0-
Blue	: 2.6400-3.1400	: 1.6175-3.1125*
Gorgonzola	: 3.2400-5.9400	: 2.1175-2.4900*
Parmesan (Italy)	: TFEWR	: 3.0350-3.0875*
Romano (Italy)	: 2.1000-2.9900	: -0-
Provolone (Italy)	: 3.4400-5.5000	: 1.6250-1.8450*
Sardo Romano (Argentina)	: 2.6500-3.2900	: -0-
Reggianito (Argentina)	: 2.6500-3.2900	: -0-
Jarlsberg-(Brand)	: 2.7500-3.5900	: -0-
Swiss Cuts Switzerland	: -0-	: 2.3500-2.5500
Swiss Cuts Finnish	: 2.5900-2.8500	: -0-
Swiss Cuts Austrian	: 2.2500-2.7500	: -0-
Edam	:	:
2 Pound	: TFEWR	: -0-
4 Pound	: 2.1900-2.9500	: -0-
Gouda, Large	: 2.3900-2.6800	: -0-
Gouda, Baby (\$/Dozen)	:	:
10 Ounce	: 27.8000-31.7000	: -0-

\* = Price change.

WEEKLY COLD STORAGE HOLDINGS-SELECTED STORAGE CENTERS  
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

	BUTTER : CHEESE	
12/31/01	12,166	: 117,034
12/01/01	12,037	: 119,471
CHANGE	+129	: -2,437
% CHANGE	+1	: -2

## FLUID MILK AND CREAM

## E A S T

Spot shipments of Grade A milk into or out of Florida and other Southeastern states

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	11	0	0	0	0	20
SOUTHEAST STATES	0	0	0	0	0	0

Milk production is steady to higher with the most notable increases appearing in the Northeast. While less milk was handled this week compared to the Christmas holiday week, some plants are reporting higher intakes than they have seen in the last 2 years. Excess milk was apparently more problematic because many cheese and ice cream plants gave extra leave time to employees this year, closing plants and usual outlets for milk. Some distressed loads were reportedly cleared over the weekend. Class I sales are mixed. Movement in the Northeast is mostly lackluster with sale increases anticipated as bottling plants begin to reschedule for school sessions. In areas of the South, Class I sales are generally good as a snow storm excites demand. Milk shipments out of Florida are lower due in part to the increased interest during the storm. Milk into Class IV facilities is heavy with some locations handling supplies adequately and others burdened by the excess. The condensed skim market tone is steady to weak. Class II condensed prices, which are primarily benchmarked on the milk formula, are unchanged. Class III condensed prices are lower with some offering prices being reported as low as 70 cents. Condensed skim demand is mixed with some good interest being expressed by cheese plants in the Midwest. Cream supplies are in better balance than the week prior as ice cream plants re-open and take in excess supplies. Prices are higher yet multiples are unchanged, reflecting the higher AA CME butter price. Demand is steady into churns. More butter is expected to be churned in the next few weeks as the production of seasonal holiday items subsides.

## FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

## SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. PRODUCING PLANTS: NORTHEAST	-	1.6616-1.7956
DELIVERED EQUIVALENT ATLANTA	-	1.6348-1.8090 M 1.6750-1.7152
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	1.6080-1.7822

## PRICES OF CONDENSED SKIM, \$ PER LB WET SOLIDS

F.O.B. PRODUCING PLANTS:	
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	- 1.0000-1.0800
NORTHEAST- CLASS III - SPOT PRICES	- .9200-1.0100

## M I D W E S T

Class I demand is slowly returning to pre-holiday levels as schools reopen irregularly in 2002. However, Class I fluid use continues to lag pre-holiday levels. Class II milk interest is also light though cottage cheese use is often improved. Milk supplies were very heavy over the holiday weekend and some volumes of fluid were cleared at greatly reduced prices. No major plant breakdowns were reported and fewer plants were closed for an extra day or two for the holiday. However, the milk backlog from the first week impacted extra volumes plants could handle. Reported spot prices ranged from \$.50 under Class to \$3.15 under to a flat \$6.00 per cwt. for a few really distressed loads, with most between \$.50 and 2.00 under class. Manufacturing plants were still working through the holiday surplus volumes at midweek. Current plant milk intakes are steady to generally slightly higher. Cream supplies are burdensome as ice cream use remains limited since at least a few plants are not yet manufacturing. Class II cream prices are

nominal. Some cream multiples are even lower for butter use and at least one butter plant is reported to be full until next week with current commitments. As usual with a new month, milk producers are shifting from one plant to another, although a couple plants show major shifts in producer base in January, particularly where forward contacts ended. Colder temperatures and generally light snow flurries generally covered much of the upper tier of Midwestern states. Some heavier volumes fell in traditional snow belts near the Great Lakes.

## WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	DEC 27 - JAN 2	PREVIOUS YEAR
SLAUGHTER COWS	\$ 36.00- 41.50	\$ 38.50- 43.00
REPLACEMENT HEIFER CALVES	\$420.00-550.00	\$150.00-265.00

## SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	DEC 27 - JAN 2	PREVIOUS YEAR
SLAUGHTER COWS	\$ 36.00- 40.00	\$ 35.00- 46.00

## W E S T

The December 4a price (butter/powder) in CALIFORNIA is \$11.45, down \$0.28 from November and \$1.69 lower than last year. The December 4b price (cheese) is \$10.97, up \$0.37 from November and \$1.58 higher than last year. Milk production is mostly steady in the SOUTHWEST. Milk was handled as planned over the second holiday week in a row with limited disruptions. Rains in the Central Valley of CALIFORNIA continue and the wet conditions are beginning to impact milk production slightly. These conditions are seasonal and many producers have coverage for their stock. Conditions remained good in the south and milk output is responding favorably. NEW MEXICO milk production is about steady with recent weeks. Snow fell over much of the milk producing regions but did not affect things too much. There were limited disruptions to farm pickup schedules. Milk production in ARIZONA is also holding steady at levels above a year ago. Reports are that plants were able to handle milk over the holidays. CREAM in the region was plentiful over the holiday weekend. There were problems finding tankers to move cream. The surpluses continued into mid-week. Western cream multiples were reported in the range of 110 to 125, FOB. Churning levels remain active to process the cream, but contacts are concerned about the butter price level. Most operations were pleased with how efficiently milk was handled over the year-end holidays. Many plants were able to close for either or both of the holidays and spend the rest of the week playing catch up on the loads of milk parked in their lots. Milk supplies in the PACIFIC NORTHWEST continue to bounce around, some higher and some lower. The continued wet conditions are tending to raise somatic sell counts in the region, an indication of increased stress on the milking herd. Most contacts feel that the current weather conditions will be helpful for alfalfa production next year. The alfalfa trade is seasonally at a low ebb at this point. Demand for heifers remains strong, but lower quality animals are beginning to see lower prices offered for them. This is probably related to the declining milk prices. High-end animals are still going for top dollar. Snow cover continues to be the rule over NORTHERN UTAH and SOUTHERN IDAHO. Much of the region has been covered since about Thanksgiving. The snow is generally helpful from a moisture and ground cover point of view. Colder than normal temperatures and air inversions are causing some herd health problems. Heifer prices remain strong as herds continue to build up to planned capacity. Many trucking lines in the region are experiencing financial stress and consolidations or forced sales may be the result. Costs to move product may decline in the short run, but could increase with less competition.

**NDM, BUTTERMILK & WHOLE MILK**

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

**NONFAT DRY MILK - CENTRAL AND EAST**

CENTRAL: The market is mostly steady. Holiday milk continues to be diverted into some NDM plants, increasing NDM low heat production. However, milk intakes are less than anticipated for this time of year. Trading activity is light as buyers and sellers slowly return from holiday vacations. High heat production schedules are light and generally on a contractual basis. EAST: The market is steady to weak. Heavy influxes of milk were noted at some locations with some plants unable to handle the excess capacity. Production is increasing and inventories are building. Since the government announced that it was not changing the tilt in 2001, some plants opted not to produce NDM in government bags. However, since a status quo position in not guaranteed in 2002, other locations are ready to go if need be. Demand is fair at best with brokers expressing the best interest. Condensed skim is competitive with NDM and often clearing better into cheese plants than NDM.

NOTE: The Northeast and Southeast wire (DA660) and the Central wire (DA630) are now combined under one wire number, DA650.

Includes EXTRA GRADE AND GRADE A

F.O.B. CENTRAL/EAST:

LOW/MEDIUM HEAT: .9425 - .9775 MOSTLY: .9500 - .9700  
HIGH HEAT: .9750 - 1.0350

**NONFAT DRY MILK - WEST**

Western low/medium prices are lower on the top ends of both the range and mostly series. The market tone remains weak. The USDA, FAS, announced on December 28 that "the purchase prices for butter, nonfat dry milk, and cheese under the Milk Price Support Program will remain unchanged for now, but will be reconsidered as the 2002 calendar year begins." Contacts continue to express that a tilt is expected and are making production and buying decisions to that end. Production remained heavy over the second holiday week in a row. Milk was handled efficiently. During the week of December 24 - 28, CCC adjusted purchases totaled 11,280,122 pounds of Western NDM under the price support program. High heat prices are unchanged in limited trading. Demand is seasonally slow. Stocks are generally limited.

Includes EXTRA GRADE AND GRADE A

LOW/MEDIUM HEAT: .8950 - 1.0100 MOSTLY: .9000 - .9250  
HIGH HEAT: .9550 - 1.0200

**CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK**

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
December 28	\$.9111	5,008,287	2,548,966
December 21	\$.9039	17,535,613	6,999,549

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Total sales (pounds) include sales to CCC. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

**DRY BUTTERMILK - CENTRAL**

Prices are unchanged to lower on a weak market. Milk diverted away from bottling and into churns is increasing buttermilk output. Stocks are building at some locations with some sellers unable to clear product at the current market. Since year-end inventories are no longer an issue, buyer interest is anticipated to increase. However, with NDM prices moving lower, buyers are expecting buttermilk prices to adjust lower before making additional purchases. Trading activity is nominal in light of buyer resistance.

BUTTERMILK: .9700 - 1.0350

**DRY BUTTERMILK - NORTHEAST AND SOUTHEAST**

Prices are unchanged and nominal on a mostly steady market. Trading activity is very light as handlers adjust to the shorter holiday work week. Churning activity is increasing, encouraging higher production levels of condensed buttermilk. However, dry buttermilk supplies are not increasing accordingly as some condensed buttermilk is again being diverted into ice cream as plants re-open after the holidays. Offerings are light with more product expected to be available as cream supplies are diverted into churns. Movement is best on contractual shipments.

F.O.B. NORTHEAST: 1.0000 - 1.0500  
DELVD SOUTHEAST: 1.0300 - 1.0800

**DRY BUTTERMILK - WEST**

Dry buttermilk prices are holding steady. The market tone is steady in the first-sale arena, but resale markets are softer with more product available. Buying interest is uninspired. Production levels were higher over the holidays, but expected to slow. Inventory levels are light to moderate.

BUTTERMILK: 1.0300 - 1.0650 MOSTLY: 1.0300 - 1.0400

**DRY WHOLE MILK - NATIONAL**

Prices are unchanged and nominal. Production is steady to somewhat higher as excess milk supplies were diverted into some plant locations over the holidays. Demand is light as some end user plants closed for the holidays. Inventories are in balance to somewhat heavier for the steady contractual demand.

F.O.B. PRODUCING PLANT: 1.1500 - 1.2700

**DEIP BID ACCEPTANCE SUMMARY**

JULY 1, 2001 THROUGH DECEMBER 28, 2001  
WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK	--	21,669 MT (47,771,477 LBS)
CHANGE	--	205 MT (451,943 LBS)

CHEESE -- 3,030 MT (6,679,938 LBS)

This program-year allocation is filled.

Allocations for the DEIP year beginning July 1, 2001: Nonfat dry milk -- 68,201 MT; Cheese -- 3,030 MT; Butterfat -- 21,097 MT.

**WHEY, CASEIN & EVAPORATED MILK**

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

**DRY WHEY - CENTRAL**

Prices are generally unchanged and nominal on a steady market. During the holidays, excess milk was diverted into cheese vats, inducing higher whey output. However, supplies are generally mixed. While some plants have spot loads available, other locations remain in tight supply with no excess offerings. Buyer interest is light with Western producers meeting buyer resistance in the Central area. Feed users state that off grade product is being offered more frequently and at lower prices than prior weeks. Price resistance continues into export markets with movement limited to contracts.

NONHYGROSCOPIC: .2950 - .3075 MOSTLY: .2950 - .3000

**DRY WHEY - NORTHEAST AND SOUTHEAST**

Prices are unchanged on a steady market. Most movement is occurring on a contractual basis with spot offerings very light for the fair interest. Some increased production was noted over the holidays, yet supplies generally remain in balance with demand. Product is reportedly available through resellers and selling well into feed and bakery facilities. Contractual arrangements for 2002 are firmed at most locations at standard premium prices.

F.O.B. NORTHEAST:	EXTRA GRADE	.2925 - .3025
	USPH GRADE A	.3000 - .3125
DELVD SOUTHEAST:		.3175 - .3325

**DRY WHEY - WEST**

Prices are lower again in the Western region for whey. Prices are beginning to get low enough that some additional export interest is becoming possible. The Chinese New Year will cause some shipment disruptions. Stocks are continuing to build at domestic manufacturers, as these new shipments have not begun to clear yet. Domestic sales are continuing at good levels. Contacts are watching the widening spread between Central and Western prices and exploring the possibility of inter-regional sales. Overall production was somewhat higher than anticipated over the year-end holidays.

NONHYGROSCOPIC: .2350 - .2725 MOSTLY: .2400 - .2625

**ANIMAL FEED WHEY - CENTRAL**

Prices are unchanged on a steady market. Milk replacer supplies are heavier compared to the week prior yet generally in balance with demand. Roller ground production is generally steady with most movement occurring on a contractual basis. With WPC prices trading as low as 61 cents, the price per unit of protein of delactose is near equivalent the price per unit of protein of WPC. However, buyer demand remains strong for delactose. Early weaned pig prices are trending higher while veal movement is steady. U.S. inventory of all hogs and pigs on December 1, 2001, was 58.8 million head. This was 1% below December 2000, and slightly below September 1, 2001.

MILK REPLACER:	.2600 - .2800
ROLLER GROUND:	.2825 - .2950
DELACTOSE (Min. 20% protein):	.4150 - .4300

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Prices are unchanged to lower on a weak market. As contracts are finalized for 2002, sellers are beginning to realize production and stocks available for the year. Some locations that readily diverted supplies away from feed users are reportedly in a good position. However, at other plants, stocks are running long and offers are trending lower in order to gain sales before the price further declines. Production of 34% WPC appears steady while high protein WPC output is suggested to be higher. With higher Oceania 80% production, lower international NDM prices, a potential tilt change, indefinite CCC NDM sales and new US WPC facilities coming on line, the WPC protein market in 2002 is difficult for both buyer and seller to predict. Condensed WPC supplies were more available over the holiday at some locations and better in balance at report time. Off grade interest is light for the limited offerings.

EXTRA GRADE 34% PROTEIN: .6100 - .7050 MOSTLY: .6500 - .7050

**LACTOSE - CENTRAL AND WEST**

Prices are unchanged to higher on a firm market. While the range of pricing is generally unchanged, contractual pricing for the first quarter in 2002 adjusted higher. Some negotiations continue, especially in Asia, as buyers are not accepting of higher prices. Spot sales are nominal with some facilities not expecting any availability until second quarter. Interest is best from pharmaceutical, candy and some feed facilities. Production is steady to slightly higher in response to increases in higher whey output over the holidays. Off grade supplies continue tight for the good interest.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

EDIBLE: .2000 - .2700 MOSTLY: .2075 - .2375

**CASEIN - NATIONAL**

Casein prices are sharply lower as the first quarter of the year begins. The market tone is mixed. Although prices are lower, the rennet market remains firm and supplies are limited. Acid supplies are more available and the tone is weak. Lower prices are being attributed to the overall weak international market at this time. Production in the Oceania region is reported to be seasonally active with output basically as scheduled. In Europe, most casein orders are being filled from previous production with producers looking toward the new season.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET:	2.3500 - 2.5000
ACID:	2.2000 - 2.3500

**EVAPORATED MILK - NATIONAL**

Prices are unchanged on a steady market. A heavier milk supply over the holidays is encouraging production. Demand is light as inventories are balanced at the start of the new year.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES  
\$19.00 - 33.00  
Excluding promotional and other sales allowances. Included new price announcements.

**CHICAGO MERCANTILE EXCHANGE FUTURES**

Selected settling prices, (open interest), and volume 1/

Month	12/19	12/20	12/21	12/24	12/25	12/26	12/27	12/28	12/31	01/01
<b>CME - (CLASS III) MILK FUTURES -- Dollars per cwt.</b>										
DEC 01	11.79 (1975) 1	11.78 (1975) 0	11.78 (1975) 0	11.78 (1974) 2	NO TRADING	11.76 (1956) 0	11.75 (1974) 19	11.81 (1974) 3	11.81 (2005) 82	NO TRADING
JAN 02	11.85 (1188) 70	11.90 (1192) 15	11.87 (1203) 12	11.84 (1185) 28		11.66 (1189) 23	11.58 (1193) 29	11.50 (1203) 13	11.40 (1198) 53	
FEB 02	11.93 (1109) 68	11.95 (1108) 27	11.88 (1108) 1	11.85 (1119) 25		11.70 (1122) 12	11.60 (1126) 41	11.50 (1126) 9	11.45 (1114) 27	
MAR 02	12.04 (983) 40	11.95 (989) 33	11.90 (994) 5	11.84 (1022) 44		11.70 (1029) 10	11.65 (1038) 19	11.52 (1038) 20	11.47 (1069) 78	
APR 02	12.10 (915) 41	12.05 (931) 27	12.01 (934) 3	11.96 (942) 19		11.83 (947) 8	11.77 (945) 10	11.67 (973) 56	11.65 (998) 54	
MAY 02	12.14 (763) 45	12.12 (766) 22	12.08 (768) 3	12.03 (775) 9		11.81 (789) 25	11.80 (797) 13	11.76 (806) 10	11.70 (818) 56	
JUN 02	12.56 (808) 56	12.59 (810) 19	12.56 (811) 2	12.55 (810) 6		12.50 (806) 11	12.45 (816) 16	12.38 (815) 7	12.33 (826) 15	
JUL 02	13.20 (658) 40	13.25 (662) 20	13.25 (663) 2	13.25 (667) 4		13.20 (668) 7	13.17 (682) 20	13.10 (688) 7	13.06 (699) 14	
AUG 02	13.26 (548) 41	13.30 (554) 16	13.30 (561) 8	13.30 (568) 7		13.30 (573) 8	13.27 (588) 22	13.21 (593) 10	13.13 (600) 7	
SEP 02	13.35 (511) 32	13.35 (516) 19	13.35 (517) 5	13.35 (524) 8		13.35 (528) 7	13.33 (542) 35	13.28 (553) 21	13.28 (563) 10	
OCT 02	12.81 (396) 31	12.88 (402) 16	12.87 (407) 5	12.87 (405) 4		12.90 (405) 1	12.89 (418) 19	12.80 (428) 11	12.80 (443) 19	
NOV 02	12.60 (236) 16	12.64 (242) 15	12.64 (244) 2	12.60 (249) 6		12.60 (251) 3	12.59 (257) 15	12.59 (261) 10	12.59 (262) 4	
DEC 02	12.44 (221) 20	12.45 (227) 20	12.45 (228) 7	12.44 (228) 3		12.44 (230) 3	12.44 (235) 14	12.45 (244) 11	12.45 (244) 3	
JAN 03	12.00 (11) 0	12.00 (11) 0	12.00 (11) 0	12.00 (11) 0		12.00 (11) 0	12.00 (11) 0	12.00 (11) 0	12.00 (11) 0	
FEB 03	12.00 (11) 0	12.00 (11) 0	12.00 (11) 0	12.00 (11) 0		12.00 (11) 0	12.00 (11) 0	12.00 (11) 0	12.00 (11) 0	
<b>CME - CLASS IV MILK FUTURES - Dollars per cwt.</b>										
DEC 01	11.90 (207) 0	11.90 (207) 0	11.90 (207) 0	11.90 (207) 0	NO TRADING	11.90 (207) 0	11.90 (207) 0	11.90 (207) 0	11.90 (207) 0	NO TRADING
JAN 02	11.95 (129) 15	12.10 (129) 0	12.10 (129) 0	12.10 (129) 0		12.10 (134) 5	12.10 (134) 9	12.10 (134) 0	12.10 (134) 0	
FEB 02	11.95 (126) 10	12.10 (131) 5	12.10 (131) 0	12.10 (131) 0		12.10 (131) 0	12.10 (131) 5	12.10 (131) 0	12.10 (131) 0	
MAR 02	12.05 (115) 0	12.15 (115) 0	12.15 (115) 0	12.15 (115) 0		12.15 (115) 0	12.15 (115) 5	12.15 (115) 0	12.15 (115) 0	
APR 02	12.17 (124) 0	12.17 (124) 0	12.17 (124) 0	12.17 (124) 0		12.17 (129) 5	12.15 (133) 16	12.15 (133) 0	12.15 (133) 0	
MAY 02	12.45 (136) 0	12.45 (136) 0	12.45 (136) 0	12.45 (147) 11		12.45 (152) 5	12.45 (157) 14	12.45 (157) 0	12.45 (157) 0	
JUN 02	12.55 (147) 0	12.55 (152) 5	12.55 (152) 0	12.55 (152) 0		12.55 (152) 0	12.55 (177) 30	12.55 (177) 2	12.55 (177) 0	
JUL 02	12.90 (167) 0	12.90 (183) 21	12.90 (185) 5	12.90 (185) 4		12.90 (188) 5	12.90 (200) 18	12.85 (208) 10	12.81 (208) 8	
AUG 02	12.95 (118) 0	12.95 (118) 0	12.95 (118) 0	12.95 (119) 5		12.95 (119) 0	12.95 (149) 38	12.80 (149) 2	12.80 (154) 5	
<b>CME - BUTTER FUTURES -- Cents per pound</b>										
DEC 01	130.00 (9) 0									
MAR 02	140.27 (69) 4	143.00 (69) 0	143.00 (69) 0	143.00 (72) 4	NO TRADING	143.00 (72) 0	143.02 (72) 0	143.02 (72) 0	142.00 (74) 3	NO TRADING
MAY 02	141.25 (27) 1	146.00 (27) 0	146.00 (27) 0	146.25 (31) 4		146.00 (32) 1	146.02 (36) 4	146.00 (37) 3	145.00 (40) 3	
JUL 02	148.00 (29) 6	153.00 (32) 6	153.00 (32) 0	153.00 (39) 9		149.50 (46) 12	149.50 (48) 2	149.50 (50) 2	149.00 (55) 6	
SEP 02	148.50 (23) 1	153.50 (23) 0	153.50 (23) 0	153.50 (31) 10		153.00 (34) 3	153.00 (36) 2	153.00 (37) 1	152.00 (43) 7	
OCT 02	149.50 (13) 0	149.50 (13) 0	153.00 (13) 0	154.50 (22) 10		154.00 (27) 5	154.00 (27) 0	154.00 (27) 0	154.00 (40) 14	
<b>CME - NONFAT DRY MILK FUTURES -- Cents per pound</b>										
DEC 01	92.97 (6) 0	92.95 (6) 0	92.90 (6) 0	92.90 (6) 0	NO TRADING	92.90 (6) 0	92.87 (6) 0	92.75 (6) 0	92.65 (6) 0	NO TRADING
JUL 02	91.00 (5) 0	91.00 (5) 0	91.00 (5) 0	91.00 (7) 2		90.75 (7) 0	90.75 (7) 0	90.75 (7) 0	90.75 (7) 0	

1/ At the CME open interest for milk -- 200,000 pounds per contract. For more detailed information, you may call our automated voice system at 608-224-5088.

## INTERNATIONAL DAIRY MARKET NEWS

Information gathered December 24, 2001 - January 4, 2002

Prices are U.S. \$/MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

## WESTERN AND EASTERN EUROPE

**OVERVIEW: WESTERN EUROPE:** Milk production trends in Western Europe remain much the same as prior to the yearend holidays. International buyer interest remains slow and unaggressive, which was expected by many producers, handlers, and traders during the holiday period. In many instances and when possible, milk volumes over the holiday period were directed away from cheese production and towards butter/powder and whole milk powder output. Although announced on December 28 that there would be no change in support prices for dairy products in the United States, many European traders speculate that an adjustment will be occurring in the near future. In light of a possible change, producers, handlers, and traders are questioning what impact this may have on already depressed world prices for skim milk powder. Due to the yearend holidays and many contacts on holiday, reported prices are basically unchanged. Prior to the holidays, traders felt that trading during the final days of the year and the first week or so of January would be quite limited. Most are optimistic that the new year will bring renewed interest in European dairy products and prices would begin to recover. Many producers of skim milk powder are looking toward the end of the month, at which time, powder can begin to be produced for intervention offering March 1.

**BUTTER/BUTTEROIL:** European butter markets are generally steady with past weeks. This time of the calendar year is usually quiet and this year is no different than past years. Surplus milk volumes during this time have been directed toward butter/powder production, thus butter churns have been quite active. Stocks are readily available for domestic and international buyer interest. For the most part, recent sales activity has centered around internal or domestic needs. Stocks continue to clear into intervention in countries where the program is open.

82% BUTTERFAT: 1,100 - 1,250

99% BUTTERFAT: 1,300 - 1,400

**SKIM MILK POWDER (SMP):** Skim milk powder markets remain weak as prices are unchanged to generally lower. The recent export refund adjustment is having impact on international at this time. Traders indicate that it is still too early to fully realize what this second adjustment in a month may have on sales activity. Traders also state that current market activity is centering around shipments from orders previously placed with no significant activity expected until the new year at the earliest. Most feel that the powder market is on the verge of stabilizing, especially once powder production for intervention offering resumes in late January.

1.25% BUTTERFAT: 1,600 - 1,700

**WHOLE MILK POWDER (WMP):** Whole milk powder markets remain weak. Drying schedules during the past holiday period were quite active as additional milk volumes were being directed toward whole milk and butter/powder production. Buyer interest was quiet which was expected during the yearend holiday period. Powder producers and handlers are hopeful that that new year will bring renewed buyer interest to the European market and prices will once again strength.

26% BUTTERFAT: 1,600 - 1,650

**SWEET WHEY POWDER:** Whey powder markets are generally steady at unchanged prices. Stocks are reported to be sufficient for buyer interest, although international buyers indicate that European prices are too high. Cheese production over the year end holiday period was not as active as in previous years.

NONHYGROSCOPIC: 525 - 625

*The following summary of the euro is sourced from various printed articles.* As of January 1, 2002, euro coins and bills will become legal tender for the first time and the 12 countries that have adopted it will start to retire their national currencies. The 12 countries that have adopted the euro, sometimes referred to as Euroland, are: Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, and Spain. Since the introduction of the euro in January 1999, the euro has existed only electronically, appearing as a computer entry in bank, business and government accounts. As of January 1, the euro will become the primary currency in the 12 member countries. There are seven euro banknote denominations which can be recognized by their look and feel; the larger the banknote, the higher the value. The eight coins have a common side and a national side. The common side shows the value of the coin with the reverse side specific to each country, although all coins can be used in any of the twelve countries. The European Central Bank sets all of the monetary policies for the 12 euro countries, although they remain distinct nations with separate laws, regulations, languages, and histories. The 12 countries combined population, import/export trade volumes, and GDP could challenge the U.S. dollar's status as the world's

## OCEANIA

**OVERVIEW:** Milk production patterns in Oceania continue to decline seasonally although, for the most part, declines are not severe. As 2001 comes to a close and the new year begins, international market information is quite limited. Many traders and international contacts are on holiday. International markets continue to put downward pricing pressure on Oceania produced dairy products. At this point, production of manufactured dairy products in Australia and New Zealand is quite plentiful and stocks are in good balance with current demand. Often, production is surpassing current need, thus stocks are being inventoried for future sales and shipments. News reports indicate that the bush fires in New South Wales, and especially in and near Sydney are very severe. Although no official reports are being shared, food and fresh dairy product distribution are surely being greatly hampered in the region. Prior to the year end holidays, contacts were optimistic about the new year. Most felt that international buyer interest would once again gain momentum, although prices would probably remain suppressed.

**BUTTER:** Oceania butter markets are generally steady at unchanged prices. Milk production is declining seasonally in the Oceania region, thus is butter/powder production. International buyer interest continues to center around regular and ongoing buyer needs. At this point, stocks of butter in Australia and New Zealand are sufficient to meet current needs with additional production being inventoried for future needs.

82% BUTTERFAT: 1,100 - 1,200

**CHEDDAR CHEESE:** Cheese markets, as in other manufactured dairy products, are weak. Prices are unchanged to lower. Weakness in Oceania cheese prices is occurring due to weakness in other manufactured dairy product prices versus slow demand and excess supplies. International buyer interest remains quite steady, centered around previous and ongoing customer needs. No new significant buyer interest is being reported.

39% MAXIMUM MOISTURE: 1,975 - 2,150

**SKIM MILK POWDER (SMP):** Skim powder markets are steady to weak with prices unchanged to lower. International buyer interest is slow. Most buyers are out of the market as the yearend holidays are observed. Prior to the holidays, buying interest was limited as many buyers were cautious about placing orders and many traders felt that buyers would wait until the new year before possibly re-entering the market. Lower priced offerings elsewhere in the world are putting downward pressure on Oceania produced skim powder prices.

1.25% BUTTERFAT: 1,575 - 1,750

**WHOLE MILK POWDER (WMP):** Whole milk powder markets are generally weak. Prices are unchanged to lower, feeling the downward pressure of prices elsewhere in the world. Stocks of powder are available. International buyer interest is slow, typical for this holiday time of the year. Oceania producers and handlers are optimistic that the new year will bring renewed buyer interest for product from this region of the world. Whole milk powder production in Australia and New Zealand is seasonally active with surplus powder being inventoried for later use.

26% BUTTERFAT: 1,550 - 1,725

Exchange rates for selected foreign currencies: DECEMBER 31, 2001

.4045 Dutch Guilder	.4558 German Mark
.1359 French Franc	.4173 New Zealand Dollar
.1094 Mexican Peso	.5104 Australian Dollar
1.4560 British Pound	.0076 Japanese Yen
.2524 Polish Zloty	.8915 Euro

To compare the value of 1 US Dollar to Mexican Pesos: (1/.1094)= 9.1407. That is 1 US Dollar equals 9.1407 Mexican Pesos. Source: *Wall Street Journal*

**OVERVIEW: EASTERN EUROPE:** Milk production patterns in Eastern Europe are much the same as a few weeks ago. No significant new sales activity is being reported from this region of Europe. Overall sales activity is light and the most activity during the past few weeks was shipments of previously placed orders. Stock reports of Eastern European dairy products are limited, but scattered reports indicate that there is product available for buyer interest. In recent weeks, Eastern Europe has been quite actively shipping product into the international market.

preferred reserve currency. When the euro was launched in 1999 as the common currency for most of Europe, there was a widespread expectation that it would challenge the U.S. dollar's role as the world's most widely used currency. At this point, this has not happened. Many feel that the U.S. dollar has a strong foundation whereas the euro is still too new.



MONTHLY SUMMARY AND AVERAGES FOR DECEMBER 2001 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	:REPORT NUMBER 49 :		:REPORT NUMBER 50 :		:REPORT NUMBER 51 :		:REPORT NUMBER 52 :		:REPORT NUMBER 01 :		2001	2000
	DEC 03 - 07	DEC 10 - 14	DEC 17 - 21	DEC 24 - 28	DEC 31	Average	Average					
	or Total	or Total	or Total	or Total	or Total	or Total	or Total					
CHEESE												
MIDWEST COMMODITY CHEDDAR												
-- Cheddar Barrels	: 1.2650 - 1.3075	: 1.2250 - 1.2500	: 1.2500 - 1.2750	: 1.2775 - 1.2850	: 1.2650 - 1.2750	: 1.2663	: 1.1042					
-- Cheddar 40# Blocks	: 1.2475 - 1.3900	: 1.2600 - 1.3150	: 1.2450 - 1.2650	: 1.2800 - 1.3400	: 1.2450 - 1.3025	: 1.2910	: 1.1304					
WISCONSIN (WSP, Delivered, LTL)												
-- Process American 5# Loaf	: 1.5125 - 1.9000	: 1.4550 - 1.9000	: 1.5150 - 1.7100	: 1.5325 - 1.7100	: 1.4800 - 1.6500	: 1.6516	: 1.3907					
-- Brick And/Or Muenster 5#	: 1.7300 - 1.9000	: 1.7300 - 1.8375	: 1.6900 - 1.7775	: 1.6900 - 1.8300	: 1.6300 - 1.8325	: 1.7717	: 1.5873					
-- Cheddar 40# Block	: 1.6900 - 2.1150	: 1.6575 - 2.1150	: 1.5975 - 2.1150	: 1.6500 - 2.1150	: 1.6100 - 2.1150	: 1.8809	: 1.7925					
-- Monterey Jack 10#	: 1.9300 - 2.1150	: 1.8700 - 2.1150	: 1.8100 - 2.1150	: 1.8625 - 2.1150	: 1.8300 - 2.1150	: 1.9908	: 1.8925					
-- Blue 5#	: 2.0900 - 2.3900	: 2.0275 - 2.3900	: 1.9675 - 2.3500	: 2.0200 - 2.3500	: 2.0225 - 2.3300	: 2.1977	: 1.9698					
-- Mozzarella 5 - 6#	: 1.7500 - 2.2150	: 1.7175 - 2.2150	: 1.5575 - 2.2150	: 1.6100 - 2.2150	: 1.6125 - 2.2150	: 1.9369	: 1.8470					
-- Grade A Swiss Cuts 6 - 9#	: 2.1175 - 2.6900	: 2.0175 - 2.6900	: 1.9675 - 2.6900	: 1.9675 - 2.6900	: 1.9675 - 2.6900	: 2.3538	: 2.3900					
NORTHEAST (WSP, Delivered, LTL)												
-- Cheddar 10# Prints	: 1.3825 - 1.8525	: 1.3200 - 1.7900	: 1.2600 - 1.7300	: 1.3125 - 1.7825	: 1.3150 - 1.7850	: 1.5539	: 1.3866					
-- Cheddar Single Daisies	: 1.3400 - 1.8000	: 1.2775 - 1.7375	: 1.2175 - 1.6775	: 1.2700 - 1.7300	: 1.2725 - 1.7325	: 1.5064	: 1.3401					
-- Cheddar 40# Block	: 1.4800 - 1.6600	: 1.4175 - 1.5975	: 1.3575 - 1.5375	: 1.4100 - 1.5900	: 1.4125 - 1.5925	: 1.5064	: 1.3402					
-- Process 5# Loaf	: 1.5025 - 1.6625	: 1.4450 - 1.6075	: 1.4500 - 1.6125	: 1.4775 - 1.6400	: 1.4700 - 1.6325	: 1.5493	: 1.3917					
-- Process 5# Sliced	: 1.5225 - 1.7800	: 1.4650 - 1.7225	: 1.4700 - 1.7275	: 1.4975 - 1.7550	: 1.4900 - 1.7475	: 1.6171	: 1.4529					
-- Muenster	: 1.5425 - 1.7500	: 1.4800 - 1.6875	: 1.4200 - 1.6275	: 1.4725 - 1.6800	: 1.4750 - 1.6825	: 1.5826	: 1.4164					
-- Grade A Swiss Cuts 10 - 14#	: 2.3500 - 2.5500	: 2.3500 - 2.5500	: 2.3500 - 2.5500	: 2.3500 - 2.5500	: 2.3500 - 2.5500	: 2.4500	: 2.4500					
WEST COAST (WSP, Delivered, LTL)												
-- Process 5# Loaf	: 1.4475 - 1.7075	: 1.3900 - 1.6500	: 1.3950 - 1.6550	: 1.4225 - 1.6825	: 1.4150 - 1.6750	: 1.5434	: 1.3760					
-- Cheddar 40# Block	: 1.4575 - 1.6200	: 1.3950 - 1.5575	: 1.3350 - 1.4975	: 1.3875 - 1.5275	: 1.3875 - 1.5275	: 1.4722	: 1.3065					
-- Cheddar 10# Cuts	: 1.6375 - 1.8575	: 1.5750 - 1.7950	: 1.5150 - 1.7350	: 1.5675 - 1.7875	: 1.5675 - 1.7875	: 1.6838	: 1.5265					
-- Monterey Jack 10#	: 1.6475 - 1.8075	: 1.5850 - 1.7450	: 1.5250 - 1.6850	: 1.5775 - 1.7375	: 1.5775 - 1.7375	: 1.6638	: 1.5065					
-- Grade A Swiss Cuts 6 - 9#	: 2.3600 - 2.5300	: 2.3600 - 2.5300	: 2.3600 - 2.5300	: 2.3600 - 2.5300	: 2.3600 - 2.5300	: 2.4450	: 2.4200					
FLUID AND DRY PRODUCTS												
SPOT PRICES OF CLASS II CREAM (\$ per lb. butterfat)												
-- Northeast - f.o.b	: 1.6896 - 1.8248	: 1.5552 - 1.6921	: 1.5366 - 1.6853	: 1.6296 - 1.7610	: 1.6616 - 1.7956	: 1.6734	: 1.9855					
-- Atlanta - dlv. equiv.	: 1.6896 - 1.8518	: 1.5552 - 1.7046	: 1.5242 - 1.6977	: 1.6033 - 1.7741	: 1.6348 - 1.8090	: 1.6767	: 2.0763					
-- Upper Midwest - f.o.b	: 1.6628 - 1.7369	: 1.5304 - 1.7296	: 1.4870 - 1.7101	: 1.5770 - 1.8267	: 1.6080 - 1.7822	: 1.6572	: 2.0524					
PRICES OF CONDENSED SKIM - NORTHEAST (\$ per lb. wet solids) - f.o.b.												
-- Class II	: 1.0000 - 1.0800	: 1.0000 - 1.0800	: 1.0000 - 1.0800	: 1.0000 - 1.0800	: 1.0000 - 1.0800	: 1.0400	: 1.1100					
-- Class III	: 0.9800 - 1.0600	: 0.9800 - 1.0600	: 0.9800 - 1.0600	: 0.9800 - 1.0600	: 0.9200 - 1.0100	: 1.0173	: 0.8620					
NATIONAL EVAPORATED MILK (\$ per Case)												
(Case - 48 - 12 fluid oz cans)												
-- Delivered Major U.S. Cities	: 19.0000 - 33.0000	: 19.0000 - 33.0000	: 19.0000 - 33.0000	: 19.0000 - 33.0000	: 19.0000 - 33.0000	: 26.0000	: 26.5000					

MONTHLY SUMMARY AND AVERAGES FOR DECEMBER 2001 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	REPORT NUMBER 49	REPORT NUMBER 50	REPORT NUMBER 51	REPORT NUMBER 52	REPORT NUMBER 01	2001	2000
	DEC 03- 07	DEC 10 - 14	DEC 17 - 21	DEC 24 - 28	DEC 31	Average	Average
						or Total	or Total
DRY PRODUCTS							
NONFAT DRY MILK							
-- Central (f.o.b.)							
-- Low/Medium Heat	:: 0.9450 - 0.9700	:: 0.9450 - 0.9700	:: 0.9450 - 0.9700	:: 0.9450 - 0.9700	:: 0.9425 - 0.9775	:: 0.9576	:: 1.0429
-- Mostly	:: 0.9450 - 0.9700	:: 0.9450 - 0.9700	:: 0.9450 - 0.9700	:: 0.9450 - 0.9700	:: 0.9500 - 0.9700	:: 0.9576	:: 1.0309
-- West (f.o.b.)							
-- Low/Medium Heat	:: 0.8950 - 1.0225	:: 0.8950 - 1.0250	:: 0.8950 - 1.0250	:: 0.8950 - 1.0225	:: 0.8950 - 1.0100	:: 0.9591	:: 1.0111
-- Mostly	:: 0.9000 - 0.9375	:: 0.9000 - 0.9375	:: 0.9000 - 0.9375	:: 0.9000 - 0.9375	:: 0.9000 - 0.9250	:: 0.9184	:: 1.0086
-- High Heat	:: 0.9500 - 1.0200	:: 0.9550 - 1.0200	:: 0.9550 - 1.0200	:: 0.9550 - 1.0200	:: 0.9550 - 1.0200	:: 0.9875	:: 1.0559
-- Northeast (f.o.b.)							
-- Low/Medium Heat	:: 0.9525 - 0.9900	:: 0.9525 - 0.9900	:: 0.9525 - 0.9900	:: 0.9525 - 0.9900	:: 0.9425 - 0.9775	:: 0.9707	:: 1.0650
-- Mostly	:: 0.9575 - 0.9700	:: 0.9575 - 0.9700	:: 0.9575 - 0.9700	:: 0.9575 - 0.9700	:: 0.9500 - 0.9700	:: 0.9636	:: 1.0625
-- High Heat	:: 0.9800 - 1.0100	:: 0.9800 - 1.0100	:: 0.9800 - 1.0100	:: 0.9800 - 1.0100	:: 0.9750 - 1.0350	:: 0.9955	:: 1.1100
-- Mostly	:: 0.9850 - 1.0100	:: 0.9850 - 1.0100	:: 0.9850 - 1.0100	:: 0.9850 - 1.0100	:: 0.9850 - 1.0100	:: 0.9975	:: 1.1125
-- Southeast (Delvd)							
-- Extra & Grade A	:: 0.9400 - 1.0200	:: 0.9400 - 1.0200	:: 0.9400 - 1.0200	:: 0.9400 - 1.0200	:: 0.9400 - 1.0200	:: 0.9800	:: 1.0994
WHEY POWDER (Nonhygroscopic)							
-- Central (f.o.b.)	:: 0.2950 - 0.3100	:: 0.2950 - 0.3075	:: 0.2950 - 0.3075	:: 0.2950 - 0.3075	:: 0.2950 - 0.3075	:: 0.3016	:: 0.2528
-- Mostly	:: 0.2950 - 0.3000	:: 0.2950 - 0.3000	:: 0.2950 - 0.3000	:: 0.2950 - 0.3000	:: 0.2950 - 0.3000	:: 0.2975	:: 0.2456
-- West (f.o.b.)	:: 0.2500 - 0.2850	:: 0.2500 - 0.2900	:: 0.2400 - 0.2900	:: 0.2400 - 0.2825	:: 0.2350 - 0.2725	:: 0.2656	:: 0.2111
-- Mostly	:: 0.2650 - 0.2775	:: 0.2575 - 0.2775	:: 0.2500 - 0.2725	:: 0.2500 - 0.2650	:: 0.2400 - 0.2625	:: 0.2641	:: 0.2018
-- Northeast Extra Grade (f.o.b.)	:: 0.2925 - 0.3025	:: 0.2925 - 0.3025	:: 0.2925 - 0.3025	:: 0.2925 - 0.3025	:: 0.2925 - 0.3025	:: 0.2975	:: 0.2429
-- Northeast Usph Grade A(f.o.b.)	:: 0.3000 - 0.3125	:: 0.3000 - 0.3125	:: 0.3000 - 0.3125	:: 0.3000 - 0.3125	:: 0.3000 - 0.3125	:: 0.3063	:: 0.2418
-- Southeast Extra Grade (Delvd)	:: 0.3175 - 0.3350	:: 0.3175 - 0.3325	:: 0.3175 - 0.3325	:: 0.3175 - 0.3325	:: 0.3175 - 0.3325	:: 0.3253	:: 0.2832
WHEY PROTEIN CONCENTRATE							
-- Central And West (f.o.b.)							
-- Extra Grade 34% Protein	:: 0.7000 - 0.7600	:: 0.6500 - 0.7600	:: 0.6500 - 0.7400	:: 0.6100 - 0.7200	:: 0.6100 - 0.7050	:: 0.6984	:: 0.7500
-- Mostly	:: 0.7300 - 0.7475	:: 0.6800 - 0.7400	:: 0.6800 - 0.7200	:: 0.6500 - 0.7200	:: 0.6500 - 0.7050	:: 0.7081	:: 0.7399
ANIMAL FEED - WHEY							
-- Central (f.o.b.)							
-- Milk Replacer	:: 0.2500 - 0.2650	:: 0.2600 - 0.2800	:: 0.2600 - 0.2800	:: 0.2600 - 0.2800	:: 0.2600 - 0.2800	:: 0.2669	:: 0.2062
-- Roller Ground	:: 0.2825 - 0.2950	:: 0.2825 - 0.2950	:: 0.2825 - 0.2950	:: 0.2825 - 0.2950	:: 0.2825 - 0.2950	:: 0.2888	:: 0.2309
-- Delactose	:: 0.4150 - 0.4300	:: 0.4150 - 0.4300	:: 0.4150 - 0.4300	:: 0.4150 - 0.4300	:: 0.4150 - 0.4300	:: 0.4225	:: 0.3875
BUTTERMILK (Min. 30% protein)							
-- Central (f.o.b.)	:: 1.0000 - 1.1150	:: 1.0000 - 1.1150	:: 0.9700 - 1.1150	:: 0.9700 - 1.1000	:: 0.9700 - 1.0350	:: 1.0465	:: 1.0323
-- West (f.o.b.)	:: 1.0300 - 1.0750	:: 1.0300 - 1.0750	:: 1.0300 - 1.0750	:: 1.0300 - 1.0650	:: 1.0300 - 1.0650	:: 1.0513	:: 0.9893
-- Mostly	:: 1.0400 - 1.0500	:: 1.0300 - 1.0400	:: 1.0300 - 1.0400	:: 1.0300 - 1.0400	:: 1.0300 - 1.0400	:: 1.0375	:: 0.9755
-- Northeast (f.o.b.)	:: 1.0000 - 1.0500	:: 1.0000 - 1.0500	:: 1.0000 - 1.0500	:: 1.0000 - 1.0500	:: 1.0000 - 1.0500	:: 1.0250	:: 0.9900
-- Southeast (Delvd)	:: 1.0400 - 1.0950	:: 1.0400 - 1.0950	:: 1.0400 - 1.0950	:: 1.0300 - 1.0800	:: 1.0300 - 1.0800	:: 1.0644	:: 1.0230
WHOLE MILK POWDER							
-- National							
-- National (f.o.b.)	:: 1.1700 - 1.3000	:: 1.1700 - 1.3000	:: 1.1700 - 1.2700	:: 1.1500 - 1.2700	:: 1.1500 - 1.2700	:: 1.2250	:: 1.3296
LACTOSE							
-- Central And West (f.o.b.)	:: 0.2000 - 0.2675	:: 0.2000 - 0.2675	:: 0.2000 - 0.2675	:: 0.2000 - 0.2675	:: 0.2000 - 0.2700	:: 0.2338	:: 0.1825
-- Mostly	:: 0.2050 - 0.2300	:: 0.2050 - 0.2300	:: 0.2050 - 0.2300	:: 0.2050 - 0.2300	:: 0.2075 - 0.2375	:: 0.2178	:: 0.1650
CASEIN - Edible - National (f.o.b.)							
-- Nonrestricted - Rennet	:: 2.4000 - 2.7300	:: 2.4000 - 2.7300	:: 2.4000 - 2.7300	:: 2.4000 - 2.7300	:: 2.3500 - 2.5000	:: 2.5580	:: 2.3250
-- Nonrestricted - Acid	:: 2.4500 - 2.6500	:: 2.4500 - 2.6500	:: 2.4500 - 2.6500	:: 2.4500 - 2.6500	:: 2.2000 - 2.3500	:: 2.5363	:: 2.3750

1/ Prices for all products are issued once a week and represent a value for the entire week. Monthly averages are based on weekly prices and are time-weighted according to the number of workdays in the month - Saturdays, Sundays and National Holidays excluded. No monthly average is computed if one or more weekly prices are missing.

## CHICAGO MERCANTILE EXCHANGE AVERAGES FOR DECEMBER 2001

COMMODITY	REPORT NUMBER 49	REPORT NUMBER 50	REPORT NUMBER 51	REPORT NUMBER 52	2001 *	2000 *
	DEC 3 - 7	DEC 10 - 14	DEC 17 - 21	DEC 26 - 28	Monthly Average	Monthly Average
-----						
BUTTER*						
-- GRADE AA						
--Monday	1.2600	1.2250	1.2750	1/		
--Tuesday						
--Wednesday	1.2400	1.2400	1.3075	1.3400		
--Thursday						
--Friday	1.2325	1.2525	1.3600	1.3400	1.2793	1.3700
--Weekly Average**	1.2442	1.2392	1.3142	1.3400		
CHEESE*						
-- BARRELS						
--Monday	1.2650	1.2150	1.2650	1/		
--Tuesday	1.2650	1.2150	1.2650	1/		
--Wednesday	1.2150	1.2450	1.2700	1.2700		
--Thursday	1.2150	1.2650	1.2700	1.2550		
--Friday	1.2150	1.2650	1.2700	1.2550	1.2500	1.1095
--Weekly Average**	1.2350	1.2410	1.2680	1.2600		
-- 40# BLOCKS						
--Monday	1.3000	1.2300	1.2300	1/		
--Tuesday	1.3000	1.2200	1.2300	1/		
--Wednesday	1.2600	1.1900	1.2850	1.3000		
--Thursday	1.2600	1.2100	1.3000	1.2550		
--Friday	1.2600	1.2300	1.3000	1.2600	1.2567	1.1233
--Weekly Average**	1.2760	1.2160	1.2690	1.2717		
NONFAT DRY MILK*						
-- EXTRA GRADE						
--Monday	0.9900	0.9900	0.9900	1/		
--Tuesday	0.9900	0.9900	0.9900	1/		
--Wednesday	0.9900	0.9900	0.9900	0.9900		
--Thursday	0.9900	0.9900	0.9900	0.9900		
--Friday	0.9900	0.9900	0.9900	0.9900	0.9900	1.0300
--Weekly Average**	0.9900	0.9900	0.9900	0.9900		
-- GRADE A						
--Monday	1.0000	1.0000	1.0000	1/		
--Tuesday	1.0000	1.0000	1.0000	1/		
--Wednesday	1.0000	1.0000	1.0000	1.0000		
--Thursday	1.0000	1.0000	1.0000	1.0000		
--Friday	1.0000	1.0000	1.0000	1.0000	1.0000	1.0300
--Weekly Average**	1.0000	1.0000	1.0000	1.0000		

\* Monthly averages are a simple average of all the closes during the month. Weekly and monthly averages are independent calculations. Weekly averages are simple averages of the closes during the calendar week and are for information purposes. Should the week be split between two months, the weekly average will appear in the monthly report in which the Friday close is reported. 1/ CME Closed - No cash trading.

**DECEMBER 2001 DEIP BID ACCEPTANCES**

ACCEPTANCE DATE	DESTINATION	QUANTITY (MT)	DEL. PERIOD	BONUS/MT
<b>NONFAT DRY MILK</b>				
JULY – NOVEMBER 2001		4,814		
12/03/01	CARIBBEAN, CENT & S. AM	220	DEC-FEB	\$341.81
12/05/01	CARIBBEAN, CENT & S. AM	2,857	DEC-FEB	\$350
12/05/01	CARIBBEAN, CENT & S. AM	218	DEC-JUN	\$350
12/05/01	ASIA & FSU	75	DEC-MAR	\$375
12/06/01	CARIBBEAN, CENT & S. AM	160	DEC-FEB	\$340
12/06/01	ASIA & FSU	275	DEC-JUL	\$375
12/07/01	CARIBBEAN, CENT & S. AM	110	DEC-JAN	\$350
12/10/01	CARIBBEAN, CENT & S. AM	385	DEC-JUL	\$358.18
12/10/01	AFRICA & MIDDLE EAST	294	JAN-MAR	\$400
12/10/01	ASIA & FSU	1,200	DEC-JUN	\$375
12/11/01	ASIA & FSU	1,000	DEC-JUN	\$375
12/11/01	CARIBBEAN, CENT & S. AM	3,800	DEC-JUL	\$356.58
12/18/01	AFRICA & MIDDLE EAST	340	DEC-AUG	\$462.65
12/19/01	CARIBBEAN, CENT & S. AM	38	DEC-FEB	\$325
12/20/01	CARIBBEAN, CENT & S. AM	108	JAN-JUL	\$400
12/21/01	CARIBBEAN, CENT & S. AM	5,570	DEC-SEP	\$429.69
12/28/01	AFRICA & MIDDLE EAST	105	JAN-AUG	\$475
12/28/01	CARIBBEAN, CENT & S. AM	100	JAN-JUN	\$460
DECEMBER 1 – 31, 2001		<u>16,855</u>		
<b>CHEESE</b>				
JULY - NOVEMBER 2001		3,030*		
DECEMBER 1 – 31, 2001		<u>0</u>		
C-CHEDDAR, G-GOUDA, M-MOZZARELLA, P-PROCESSED AMERICAN, CC-CREAM CHEESE, MJ-MONTEREY JACK, V-VARIETAL				
<b>BUTTERFAT</b>				
JULY – NOVEMBER 2001		0		
DECEMBER 1 – 31, 2001		<u>0</u>		
A-ANHYDROUS MILKFAT, B-BUTTER				
TOTAL MT				PROGRAM TO DATE
TOTAL BONUS VALUE				24,699
				\$9,496,000

Exporters of U.S. milk powder, butterfat and cheddar cheese are aided under the Dairy Export Incentive Program (DEIP), created by Food Security Act of 1985 and extended by the Food, Agriculture, Conservation, and Trade Act of 1990. Export sales are facilitated through payment of bonuses by the U.S. Department of Agriculture's Commodity Credit Corporation. Sales of dairy products will be made through normal commercial channels at competitive world prices. For further information call L.T. McElvain (202) 720-6211.

Conversion: 1 metric ton (MT) = 2,204.6 pounds. **SOURCE: FOREIGN AGRICULTURAL SERVICE**

\* Program year allocations are filled

## DECEMBER AGRICULTURAL PRICES HIGHLIGHTS

The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in December 2001 was unchanged at 122. Compared with December 2000, the index was unchanged at 122. The index of prices received by farmers for dairy products declined 2 points during the month of December 2001 to 84. Compared with December 2000, the index was down 11 points (11.6 percent).

Prices received by farmers in December with changes from November were: for All Milk, \$13.60 per hundredweight (cwt.), down \$.80; Fluid Grade Milk, \$13.60 per cwt., down \$.90; and for Manufacturing Grade Milk, \$12.40 per cwt., unchanged.

## SELECTED MILK PRICES, COWS AND DAIRY FEED PRICES, SELECTED STATES AND U.S., DECEMBER 2001 WITH COMPARISONS

STATE	All-milk price 1/ 3/				Milk cows 5/		Cows 6/		All hay baled 7/	
	Dollars per cwt.		Dollars per cwt.		Dollars per head		Dollars per cwt.		Dollars per ton	
	NOVEMBER		DECEMBER		DECEMBER		DECEMBER		DECEMBER	
	2001 2/	2000 2/	2001 4/	2000 2/	2001	2000	2001 7/	2000 8/	2001	2000
CA	12.69	12.02	12.80	12.31	PRICES PUBLISHED  JANUARY, APRIL, JULY AND OCTOBER		35.00	34.00	119.00	94.00
ID	12.60	10.40	12.80	10.90			34.30	34.90	119.00	99.00
MI	14.80	12.70	13.80	13.20			37.50	35.00	77.00	63.00
MN	14.10	11.90	13.70	12.60			37.00	38.00	57.00	62.00
NY	15.60	13.80	13.80	14.20			---	---	100.00	113.00
OH	14.40	12.80	13.10	13.00			33.00	36.20	96.00	79.00
PA	16.80	14.50	15.20	14.70			37.90	37.50	119.00	112.00
TX	15.50	13.60	14.30	14.00			36.30	36.10	70.00	67.00
WA	14.50	12.80	13.10	13.30			---	---	120.00	109.00
WI	13.90	11.70	13.80	12.40			35.10	37.10	59.00	53.00
U.S.	14.40	12.60	13.60	13.00			35.60	36.50	93.70	84.90

1/ Prices are shown at reported butterfat test. 2/ Partially revised. 3/ Before deductions for hauling. Includes quality, quantity, and other premiums. Excludes hauling subsidies. 4/ Preliminary. 5/ Animals sold for dairy herd replacement only. 6/ Beef cows and cull dairy cows sold for slaughter. 7/ Mid-month price. 8/ Entire month.

## MILK AND OTHER GENERAL PRICE MEASURES, U.S., DECEMBER 2001 WITH COMPARISON

ITEM	DECEMBER 2000	NOVEMBER 2001 1/	DECEMBER 2001 2/
<b>PRICES RECEIVED BY FARMERS</b> , dol. per cwt., at reported butterfat test:			
All milk	13.00	14.40	13.60
Fluid grade milk	13.10	14.50	13.60
Manufacturing grade milk	10.80	12.40	12.40
<b>INDEX NUMBERS</b> (1990-92=100):			
Prices received by farmers for all farm products	99	93	93
Prices received by farmers for dairy products	95	86	84
Prices paid by farmers for commodities and services, interest taxes, and wage rates	122	122	122
Prices paid by farmers for production items	119	117	117
Prices paid by farmers for feed	108	108	108
<b>MILK FEED PRICE RATIO:</b> Pounds of 16% Mixed Dairy Feed equal in value to one pound of milk 3/	3.04	3.26	3.10

1/ Partially revised. 2/ Preliminary. 3/ For this data series, the price of the commercial prepared feed is based on current U.S. prices received for corn, soybeans, and alfalfa hay.

**SOURCE:** "Agricultural Prices," Pr 1 (12/01), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

CCC PURCHASES OF DAIRY PRODUCTS (POUNDS)

	FOR THE PERIOD OF DECEMBER 31, 2001			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES#	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/01	SAME PERIOD LAST YEAR	WEEK ENDING 12/28/01	SAME PERIOD LAST YEAR
<b>BUTTER</b>							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unsalted	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>CHEESE</b>							
Block	-0-	-0-	-0-	-0-	3,192,637	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	3,530,979	-0-	-0-
Process	-0-	-0-	-0-	-0-	3,524,400	-0-	-0-
<b>TOTAL</b>	-0-	-0-	-0-	-0-	10,248,016	-0-	-0-
<b>NONFAT DRY MILK</b>							
Nonfortified	6,782,919	-0-	6,782,919	76,967,634	109,738,032	657,419,000	338,727,000
Fortified	-0-	-0-	-0-	-0-	19,562,679	38,227,000	31,720,000
<b>TOTAL</b>	6,782,919	-0-	6,782,919	76,967,634	129,300,711	695,646,000	370,447,000

# Although an uncommitted inventory of NDM has continued to exist for some time, it has not been reported due to CCC's efforts to utilize all NDM purchased under price support.

MILK EQUIVALENT, FAT SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
PERIOD OF DECEMBER 31, 2001 =	1.5	79.0	COMPARABLE PERIOD IN 2000 =	4.4	124.9
CUMULATIVE SINCE OCTOBER 1, 2001 =	16.9	895.9	CUMULATIVE SAME PERIOD LAST YEAR =	116.5	1,482.6
CUMULATIVE JANUARY 1 - DECEMBER 31, 2001 =	90.4	4,166.2	COMPARABLE CALENDAR YEAR 2000 =	277.2	6,661.6

\* Factors used for Fat Solids Basis - Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22  
 \*\*Factors used for Skim Solids Basis - Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES FOR THE PERIOD OF DECEMBER 31, 2001 (POUNDS)

REGION	BUTTER			CHEESE			NONFAT DRY MILK	
	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
MIDWEST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-	6,782,919	-0-
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

CCC ADJUSTED PURCHASES SINCE 10/1/01 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

REGION	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT (%)	
	2001/02	2000/01	2001/02	2000/01	2001/02	2000/01	2001/02	2000/01
MIDWEST	-0-	-0-	-0-	5,534,470	-0-	1,557,739	-0-	41.8
WEST	-0-	-0-	-0-	4,673,946	76,967,634	127,742,972	100.0	57.9
EAST	-0-	-0-	-0-	39,600	-0-	-0-	-0-	0.3
<b>TOTAL</b>	-0-	-0-	-0-	10,248,016	76,967,634	129,300,711	100.0	100.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER MAY 31, 2001

MANUFACTURING MILK Average Test 3.67% - \$9.90 per cwt.; 3.5% - \$9.80

BUTTER Bulk \$.8548 per pound; 1# Prints \$.8848  
CHEESE 40 & 60# Blocks \$1.1314 per pound; 500# Barrels \$1.1014; Process American 5# \$1.1839; Process Am. 2# \$1.2239  
NONFAT DRY MILK Nonfortified \$.9000 per pound; Fortified \$.9100; Instant \$1.0575

U.S. Dairy & Total Cow Slaughter under Federal Inspection, by Regions, for Week Ending 12/15/01 & Comparable Week 2000

Regions* (000 HEAD)	U.S. TOTAL										% DAIRY OF ALL	
	1	2	3	4	5	6	7	8	9	10	WEEK SINCE JAN 1	WEEK SINCE JAN 1
2001-Dairy	0.2	0.8	5.8	5.0	21.9	2.4	0.6	1.0	13.3	2.7	53.6	46.1
2000-Dairy	0.2	0.6	5.7	5.2	20.6	2.8	1.8	0.9	11.6	2.9	52.5	45.5
2001-All cows	0.2	0.9	8.5	13.5	31.5	15.5	16.2	6.2	16.1	7.7	116.3	48.4
2000-All cows	0.2	0.8	7.7	15.4	26.8	14.1	16.8	5.5	13.9	7.4	108.5	48.4

SOURCE The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

CLASS III (2000) AND BFP (1998-99) MILK PRICES, (3.5% BF, \$/CWT. FOR COMPARISON PURPOSES ONLY)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1998	13.25	13.32	12.81	12.01	10.88	13.10	14.77	14.99	15.10	16.04	16.84	17.34
1999	16.27	10.27	11.62	11.81	11.26	11.42	13.59	15.79	16.26	11.49	9.79	9.63
2000	10.05	9.54	9.54	9.41	9.37	9.46	10.66	10.13	10.76	10.02	8.57	9.37

FEDERAL MILK ORDER CLASS PRICES FOR 2001 - 2002 (3.5% BF)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN 2002
I 1/	13.99	11.94	12.65	13.44	14.21	14.99	15.34	15.40	15.56	15.93	15.76	11.98	11.96
II	12.82	13.43	14.17	15.10	15.72	16.05	15.96	15.98	16.24	13.53	12.78		
III	9.99	10.27	11.42	12.06	13.83	15.02	15.46	15.55	15.90	14.60	11.31		
IV	12.13	12.70	13.46	14.41	15.04	15.33	14.81	15.06	15.59	12.77	11.97		

1/ Specific order differentials to be added to this base price are located at: [www.ams.usda.gov/dairy/mib/class\\_prod\\_milk\\_comp\\_pr.htm](http://www.ams.usda.gov/dairy/mib/class_prod_milk_comp_pr.htm)